

The Aluminum Situation

Department of Economics and Statistics

August 1986

Shipments Up 3.2 Percent in First Half

Net shipments for six months of 1986, at an estimated 7,997 million pounds, were up 3.2 percent from the first six months of 1985 total of 7,746 million pounds.

Domestic shipments of 7,528 million pounds were up 6.5 percent from the 1985 six month total of 7,066 million pounds.

Imports of ingot and mill products were up 47.5 percent and exports were down 31.0 percent.

Thru June 1986

	6 Mos. 1986	6 Mos. 1985	% Change
Mill Products	6,406	6,021	+ 6.4%
Ingot	1,591	1,725	- 7.8%
Total	7,997	7,746	+ 3.2%
Less Exports	-469	-680	-31.0%
Domestic Total	7,528	7,066	+ 6.5%

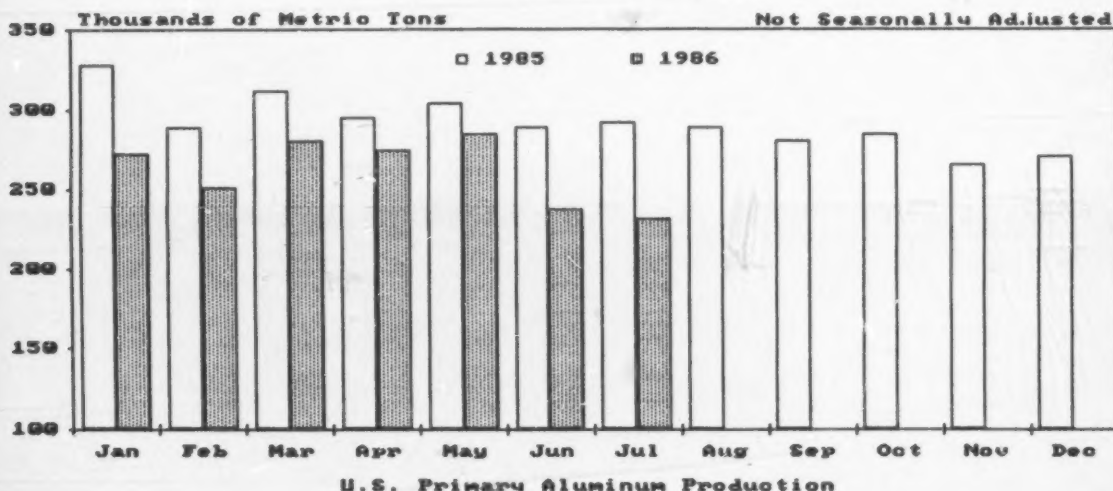
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 20.8 Percent

U.S. primary aluminum production averaged 7,465 metric tons daily during June 1986, compared with and average 9,420 metric tons per day in July 1985.

The annual rate of production in July 1986 was 2,724,749 metric tons, compared to a revised 2,882,794 metric tons in June 1986. The July 1985 annual rate was 3,438,464 metric tons. Actual production in July 1986 was 231,417 metric tons.

Primary Production

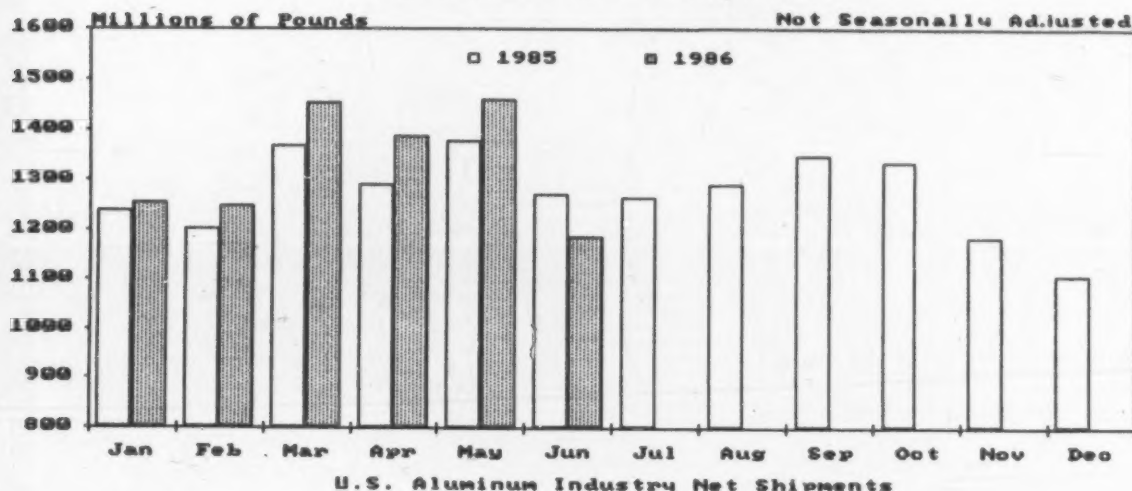


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 3.2 Percent

Estimated shipments of 7,997 million pounds for six months of 1986 were up 3.2 percent from the 1985 six month total of 7,746 million pounds. Exports were down 31.0 percent so domestic shipments showed a 6.5 percent increase over a year ago.

Aluminum Net Shipments



Net Shipments

(Millions of Pounds)

	1986 Jun	1985 Jun	1986 6 Mos.	1985 6 Mos.	% Change YTD 1986 vs. 1985
Sheet	505.0	527.5	3,338.1	3,105.8	+ 7.5
Plate	18.0	22.1	135.9	134.9	+ 0.7
Foil	70.0	67.5	454.7	407.8	+11.5
Rod, Bar & Wire	28.0	22.6	191.4	155.8	+22.8
Electrical Conductor	50.0	59.9	320.7	363.2	-11.7
Extruded Shapes & Tube**	230.0	216.7	1,384.7	1,306.4	+ 6.0
Powder & Paste	8.0	8.7	53.2	57.1	- 6.8
Forgings & Impacts	13.0	12.5	75.9	76.6	- 0.9
Net Imports of Mill Products (Total)(a)	65.0	61.3	451.6	413.6	+ 9.2
Total Mill Products	987.0	998.8	6,406.2	6,021.2	+ 6.4
Ingot(b)	200.0	270.7	1,590.7	1,725.1	- 7.8
TOTAL INDUSTRY SHIPMENTS	1,187.0	1,269.5	7,996.9	7,746.3	+ 3.2
Exports	-60.0	-155.3	-469.0	-679.6	-31.0
TOTAL DOMESTIC SHIPMENTS	1,127.0	1,114.2	7,527.9	7,066.7	+ 6.5

** January-May 1985 shapes and tubes increased to account for unreported Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.

Previous data-Bureau of the Census and Department of Commerce.

(a) Not included in product data above.

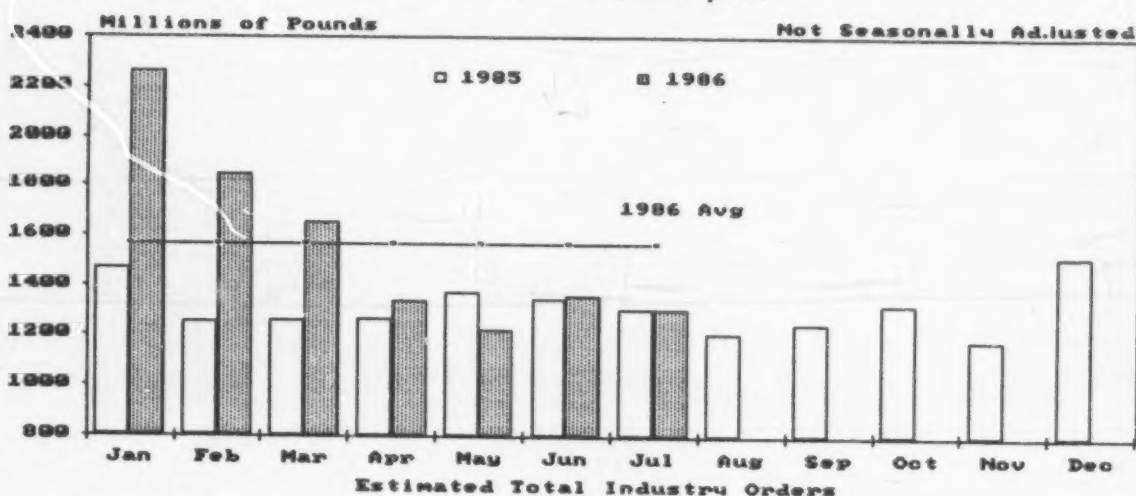
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 18.4 Percent

Estimated net new order receipts for seven months of 1986 at 10,981 million pounds were up 18.4 percent over the first seven months of 1985 total of 9,274 million pounds. July orders of 1,307 million pounds were at the same level as July a year ago.

Order Receipts



Order Receipts

(Millions of Pounds)

	1986 July	1985 July	1986 7 mos.	1985 7 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	328.9	206.1	2,201.7	1,974.2	+11.5
Sheet & Plate, Other	264.1	376.0	2,372.9	2,447.2	- 3.0
Foil	64.1	57.1	509.3	433.0	+17.6
Rod, Bar & Wire	20.3	27.3	188.2	102.0	+84.5
Electrical Conductor	49.5	66.7	402.4	432.0	- 6.9
Extruded Products	199.3	247.0	1,621.3	1,476.5	+ 9.8
Powder & Paste	3.1	8.4	49.4	72.7	-32.0
Forgings & Impacts	6.4	14.4	66.2	72.3	- 8.4
Domestic Mill Products	935.7	1,003.0	7,411.4	7,009.9	+ 5.7
Ingot (Total)	319.2	218.5	3,104.9	1,661.3	+86.9
TOTAL DOMESTIC	1,254.9	1,221.5	10,516.3	8,671.2	+21.3
Exports	52.3	86.1	464.5	602.3	-22.9
TOTAL ALL PRODUCTS	1,307.2	1,307.6	10,980.8	9,273.5	+18.4

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.

(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.

*Latest month.

June 1986 Inventories Increased 20 Million Pounds

Producer inventories increased an estimated 20 million pounds in June 1986 from a revised May level of 5,028 million pounds.

Month-End Aluminum Inventories By Type of Producer Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337	2,347	643	2,347
Nov 85	5,246	2,286	612	2,348
Dec 85	5,165	2,235	567	2,363
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097r	1,795r	560r	2,743
May 86	5,028r	1,785r	576r	2,666r
Jun 86	5,048	1,950	631	2,467

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 Jun	1985 Jun	1986 6 Mos.	1985 6 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	81.7	80.1	521.2	521.6	- 0.1
	Ingot	317.7	169.0	1,618.1	928.4	+ 74.3
	Total	399.4	249.1	2,139.3	1,450.0	+ 47.5
	Scrap (+ dross)	44.5	21.4	178.4	125.0	+ 42.7
	Grand Total	443.9	270.5	2,317.7	1,575.0	+ 47.2
Exports	Mill Products	34.8	37.6	233.8	227.5	+ 2.8
	Ingot	25.3	117.7	235.2	452.1	- 48.0
	Total	60.1	155.3	469.0	679.6	- 31.0
	Scrap	61.7	82.8	374.7	441.6	- 15.1
	Grand Total	121.8	238.1	843.7	1,121.2	- 24.8
Net Imports		322.1	32.4	1,474.0	453.8	224.8

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.